

Report to Sustainable development panel

Item

29 March 2017

Report of Head of planning services

4

Subject Greater Norwich Local Plan Progress Report

Purpose

To report progress made on the Greater Norwich Local Plan.

Recommendation

It is recommended that progress on the Greater Norwich Local Plan is noted.

Corporate and service priorities

The report helps to meet the corporate priority to provide a prosperous and vibrant city and the service plan priority to produce a local plan.

Financial implications

The local plan is funded from existing budgets.

Ward/s: All Wards

Cabinet member: Councillor Bremner – Environment and sustainable development

Contact officers

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Background documents

None

Report

1. The latest Greater Norwich Development Partnership Board meeting will take place on 23 March 2017. The meeting will consider a report on the progress of the Greater Norwich Local Plan (GNLP). The report is attached as Appendix 1.
2. The main issues covered in the report are:
 - (a) Summaries of the current position in relation to a number of evidence studies which are currently underway;
 - (b) Progress on the Greater Norwich Housing and Economic Land Availability Assessment (HELAA);
 - (c) The next stages of the GNLP, including the implications of the Housing White Paper for plan-making.
3. A verbal update will be given to the meeting on the discussions held at the meeting and any recommendations agreed. Members are requested to note the progress on the plan and the next steps that are planned to be taken.
4. On the same day the Greater Norwich Growth Board considered a number of reports, including one covering the Housing White Paper. The reports are available from this link <http://www.greaternorwichgrowth.org.uk/growth-board/meetings/> for information.

Greater Norwich Local Plan Progress Report

Report of Mike Burrell, Greater Norwich Planning Policy Team Manager

Summary

The purpose of this report is to update the Greater Norwich Development Partnership (GNDP) Board on progress on the production of the Greater Norwich Local Plan, in particular on emerging evidence, and to set out the next steps for plan-making.

Recommendation

It is recommended that progress on the Greater Norwich Local Plan is noted and commented on and the next steps are agreed.

1. Introduction

- 1.1 This report sets out progress made on advancing the Greater Norwich Local Plan (GNLP), along with the next steps for plan production. It takes account of the potential implications of the Housing White Paper to plan-making for the GNLP, particularly in terms of the Regulation 18 consultation scheduled for October 2017. A report being considered by the Greater Norwich Growth Board (GNGB) provides wider analysis of the White Paper and an outline Greater Norwich response to the Government's consultation on the White Paper.
- 1.2 The main issues covered in this report are therefore:
- Summaries of the current position in relation to a number of evidence studies which are currently underway;
 - Progress on the Greater Norwich Housing and Economic Land Availability Assessment (HELAA);
 - The next stages of the GNLP, including the implications of the Housing White Paper for plan-making.

2. Background

- 2.1 As set out in the high level GNLP timetable reported to this board and councils in September 2016, the Regulation 18 consultation, the main consultation on the plan, is programmed to begin in October 2017. The intention was that it should cover "a favoured option and reasonable alternatives" for the plan.
- 2.2 The subsequent November 2016 report set out a more detailed programme of work. It stated that this March 2017 GNDP Board report would be informed by:
- Analysis of submitted sites using the HELAA methodology;
 - Development of housing and employment distribution alternatives;
 - Further development of the options for area wide policies;

- Continued development of the evidence base supporting the plan;
 - Finalisation of the SA Scoping Report;
 - Initial sustainability appraisal of the emerging plan alternatives.
- 2.3 After this, the January 2017 report to the GNLP covered the Communications Protocol and the Strapline, Vision and Objectives for the plan.
- 2.4 The November report's risks section stated that *"The GNLP is being produced to a streamlined timetable and requires prompt agreement across the participating authorities; the most significant risks are unforeseen events that cause delays within what is currently a very tight timeline and/or significant changes in Government policy which provide new challenges for the plan"*.
- 2.5 Work on the analysis of the submitted sites, the area wide policies and the housing and employment distribution alternatives is ongoing. As set out in sections 3 and 4 below, the evidence base continues to be developed. The SA Scoping Report has been finalised and initial sustainability appraisal of the Vision and Objectives has been done.
- 2.6 As this report shows, considerable progress has been made on developing the plan's evidence base. However, there have been some issues relating to competing pressures and delays to decision making which have caused some delays to progressing work on developing the strategy and on site assessments.
- 2.7 In addition, the potential significant changes to the plan-making system flagged up in the November 2016 report have now been set in motion through the Housing White Paper. This creates uncertainty for progressing the GNLP, particularly for the short to medium term. This report recommends the most appropriate approach to addressing this uncertainty.

3. Evidence studies and stakeholder engagement

- 3.1 Paragraph 158 of the National Planning Policy Framework (NPPF) requires that a *"proportionate"* evidence base should be used to inform a local plan, with the local plan based on *"adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area"*, with relevant market and economic signals being taken full account of. Further policy evidence requirements are detailed elsewhere throughout the NPPF, with the accompanying Planning Practice Guidance website giving much more detail about the *"whats"* and the *"hows"* of preparing and updating evidence.
- 3.2 There is already a significant amount of existing evidence to help underpin the work on the GNLP. This includes evidence prepared to support:
- the Joint Core Strategy (JCS), both for the original adoption in 2011 and the amendments which were adopted in 2014;
 - the various *"daughter"* local plan documents prepared subsequently and adopted by the three Greater Norwich districts (Site Allocations Documents, Area Action Plans and Development Management Policies Documents).

In addition, the JCS Annual Monitoring Reports prepared over the past few

years provide good evidence of the effectiveness of the existing local plan policies and the Sustainability Appraisal monitoring indicators.

- 3.3 Other evidence is produced and updated by a range of other bodies, including adjacent local authorities, various Government departments, the New Anglia Local Enterprise Partnership, the Environment Agency, Natural England, Historic England, Highways England and transport and utilities companies. Other organisations and consultancies also publish regular reports and commentaries, such as various housebuilding companies and bodies, planning, housing and economics consultancies and special-interest groups, such as the Campaign to Protect Rural England (CPRE).
- 3.4 The general evidence required to underpin the GNLP must include assessments of:
- the scale of housing need across the housing market area, including for affordable housing and other particular housing types (such as custom-build and Gypsies & Travellers);
 - economic and employment growth and the future development of the local economy, including key growth sectors;
 - transport infrastructure, including existing improvement plans and further likely requirements to support growth;
 - key infrastructure requirements to support growth, including energy, water supply, wastewater treatment, education and healthcare;
 - environmental information, including landscape, ecology and air quality;
 - the viability and deliverability of the local plan.
- 3.5 Other required information will be more site-specific, involving more detailed local assessments of potential sites and settlements for growth.

4. Specific evidence work

- 4.1 A number of pieces of separate evidence work are either being undertaken internally, or have been commissioned from external specialist consultancies. In addition to this, GNLP officers have begun the first of what are intended to be regular meetings and communications with key external stakeholders and consultees.
- 4.2 For **housing**, the Central Norfolk Strategic Housing Market Assessment (SHMA) was published in January 2016. Prepared by consultancy ORS, the SHMA evidence shows that the Housing Market Area (HMA) covers, in addition to the three Greater Norwich districts, significant parts of North Norfolk and Breckland districts. The SHMA details the level of housing need across the whole of the HMA, broken down into district-level figures. It includes an assessment of the level of affordable housing need. National population and household projections information is updated every two years by Government, and so SHMAs need to be updated regularly to ensure that they are up-to-date. The 2016 Central Norfolk SHMA is currently being updated by ORS to reflect the 2014 population and household projections (which were released in summer 2016) and the updates should be complete in March/April 2017. It is important to note here that the Housing White Paper proposes to establish a

new national standard methodology for identifying OAN for local authorities to use. The significant implications of this issue for progressing plan-making on the GNLP are addressed in greater detail in section 5 of this report.

- 4.3 The 2016 Housing and Planning Act requires Local Authorities to undertake an assessment of the need in their area for caravans and houseboats (including Gypsies and Travellers). Consultancy RRR has been appointed jointly by the Greater Norwich authorities, the Broads Authority, Great Yarmouth Borough Council and North Norfolk District Council to undertake such a needs assessment to inform the four separate local plans. The results of this study are also expected to be available before summer 2017.
- 4.4 For **transport**, initial assessments have been made of the sites received through the Call for Sites to inform the HELAA. The initial assessments will be further developed as sites emerge as options for allocation. Work is due to commence on a review of the existing Norwich Area Transportation Strategy and its Implementation Plan. The GNLP team has committed to providing funding for the modelling of transport requirements for growth options as they emerge.
- 4.5 In relation to the **economy** and **employment**, consultants GVA are producing an employment, retail and town centres study. This study covers:
- the location, distribution and type of employment allocations to be included in the GNLP;
 - interventions and policy approaches required to deliver the high growth, high value scenario of the City Deal and the New Anglia Strategic Economic Plan;
 - policies and allocations required to maintain and enhance the vitality and viability of Norwich city centre and the town centres of Aylsham, Diss, Harleston and Wymondham, and the role of smaller centres;
 - wider contextual issues, such as the likely implications for the GNLP of changes to the global, national and regional economy, including Brexit and the continuing growth of the internet.
- The study's findings will be reported to members.
- 4.6 **Viability** consultancy Hansom Barron Smith was appointed in 2016 to assist the GNLP team in compiling key information relating the likely costs of both housing and employment in general, and some of the specific potential GNLP policy "costs". This is important work, as paragraph 173 of the NPPF requires that a local plan needs to be viable in order to be deliverable, with the scale of policy burdens and obligations not so excessive that it would threaten viability. Taking account of the normal costs of development, there should be *"competitive returns to a willing landowner and willing developer to enable the development to be deliverable"*.
- 4.7 Some early-stage viability work has been undertaken. A workshop was held in February 2017 with various planning agents, surveyors and housebuilders to discuss some initial results and findings on broad development costs and assumptions, and yielded much useful information and market intelligence. The costs of development, particularly the scale of infrastructure requirements, are a concern to many, as are rising labour costs. In particular, there seems little appetite for developers to purchase and build out large housing sites, due to the perception of increased risks and higher costs (both for infrastructure and

financing). The matter needs careful thought, but it may be necessary to consider “parcelling out” any larger allocated sites into smaller sites of up to 250-300 dwellings, to provide a diversity of site sizes for small and medium housebuilders as well as major national housebuilders. Consideration will also need to be given as to how LPAs could most effectively de-risk allocated sites; any options for early delivery of infrastructure, for example, will need to be explored.

- 4.8 An important part of viability is the rate of Community Infrastructure Levy (CIL). CIL is applied across Greater Norwich, with two charging zones, and was adopted in Norwich and Broadland in 2013 and South Norfolk in 2014. A review of the CIL rates was always therefore necessary as part of the overall GNLP work. However, the Housing White Paper states that options for reforming developer contributions will be explored, with an announcement at the Autumn Budget in 2017, so the CIL review options will need to be considered carefully in the light of this uncertainty.
- 4.9 Advice to support work on the **Habitats Regulation Assessment**, to assess the potential impacts of development (and mitigation measures) on internationally protected nature conservation sites, is being provided by the specialist consultancy the Landscape Partnership. Another specialist consultancy, Lepus, is supporting the GNLP team by providing advice on the **Sustainability Appraisal (SA)** process. The SA Scoping Report, which forms the first stage of the SA process by establishing local criteria for appraising the sustainability of the GNLP, has been approved by the three councils.
- 4.10 Almost all Norfolk councils are seeking to work closely together (with the support of Environment Agency and Anglian Water) to commission evidence on flood risk and water & wastewater matters (Breckland’s local plan process is significantly further advanced, and so they have prepared their own evidence). Work to prepare a combined Stage 1 **Strategic Flood Risk Assessment** (SFRA) will be issued for tender shortly, and a **Water Cycle Study** will also need to be prepared. More detailed work will need to follow in specific areas or sectors.
- 4.11 The “**Call for Sites**” was undertaken in 2016, and has yielded more than 500 sites. Since promoters are able to continue to put forward sites prior to submission of any local plan, additional sites have since been accepted and placed on the web site and any further sites submitted will be accepted until the Regulation 18 consultation.
- 4.12 Consultation on a Norfolk-wide methodology for preparing a Housing and Economic Land Availability Assessment (HELAA) also took place in 2016. The GNLP HELAA process is well-advanced; it should be complete in mid-2017. SA of potential sites will also be required.
- 4.13 By the middle of 2017, therefore, some of the key externally commissioned evidence should be available. This evidence will need to be kept up-to-date as the GNLP progresses. Other supporting evidence will be developed as plan options evolve. The Regulation 18 consultation in autumn 2017 will therefore have a fairly well-developed evidence base to support it.
- 5. **Forthcoming changes to plan-making and the next steps for the GNLP**
- 5.1 The majority of the growth that will be required in the GNLP is already allocated

through existing local plans, with significant numbers of sites having planning permission. In order to ensure identified housing and job needs are met, and to support the credibility of the planning system, it is vital that the required growth is actively promoted and delivery is facilitated. The Housing White Paper advocates a proactive role for local authorities in delivering development. It is expected that further consideration will be given to this issue by the Greater Norwich Growth Board over the coming months.

- 5.2 The White Paper is absolutely clear that rapid increases in housebuilding are required nationally, stating that the inability of many to buy or rent homes, which was taken for granted by previous generations, is *'all down to the fact that not enough houses are being built'*. It is also clear that local authorities are expected to address this, stating *".....they will have nowhere to hide from this Government if they fail to plan and deliver the homes this country needs"*.
- 5.3 As referred to above, a standard methodology for assessing housing need will be consulted on "at the earliest opportunity this year", and will inform forthcoming revisions of the NPPF. The Housing White Paper is clear that it will be the default approach to assessing housing need.
- 5.4 The White Paper states that there are three main reasons for introducing the standard approach to assessing housing need. Firstly, the lack of a standard methodology allows local planning authorities to *"duck potentially difficult decisions"* by identifying low housing needs. Secondly, the complexity of the methodologies makes the plan-making process difficult to follow. Thirdly, the lack of a standard methodology causes delays at local plan examinations and wastes taxpayers' money.
- 5.5 However, there is currently not clarity about when, subsequent to the consultation, the standard methodology will be finalised and available for use. It is highly unlikely to be available for use in the Regulation 18 consultation scheduled for October 2017.
- 5.6 **The timing of the introduction of the standard methodology, and the approach it will require, therefore create uncertainty for the GNLP.**
- 5.7 One potential approach for the GNLP would be to delay the Regulation 18 consultation until the new methodology is available. This could create a delay of at least 6 months to the overall GNLP timetable. However the White Paper, and advice from our Planning Critical Friend, are both clear that delays in plan-making should generally be avoided. In addition, from a local perspective, in order to keep to the timetable for adoption of the GNLP in 2020 and thus to maximise the potential of having an up-to-date local plan, it is important that delays to the timetable are avoided as far as possible.
- 5.8 As the SHMA is the best available evidence on housing need, we therefore propose to consult in October 2017 on Objectively Assessed Need (OAN) based on it. In addition, as the new standard methodology is expected to be informed by the LPEG approach, we could also consult on a figure derived using this method. By using both approaches we would have the best opportunity of consulting on an OAN consistent with the Government's yet to be determined standard methodology. Taking this approach minimises the risk

of needing a second Regulation 18 consultation.

- 5.9 To demonstrate delivery of housing, the NPPF requires local plans to include “*sufficient flexibility to adapt to rapid change*”. This requirement has usually been interpreted by the inclusion of a contingency buffer in addition to the OAN in local plans. All of the current local plans across Greater Norwich include additional housing allocations to provide such a buffer. If windfall development is not counted against OAN it can also play a role in contingency. A particular local issue will be the extent to which additional housing required to deliver the additional jobs sought through our City Deal should be counted as contingency. The consultation will need to cover the approach to contingency, including windfall and the scale of additional allocations.
- 5.10 Other elements of the consultation will identify broad favoured options and reasonable alternatives, without providing actual draft policies.
- 5.11 Members will be aware that the CPRE are promoting the establishment of a Green Belt around Norwich. The implications of such an approach will be covered as part of the plan-making process.
- 5.12 Taking into account the above considerations, the **June 2017 GNDP report** and subsequent reports to the councils are now intended to set out the broad strategy for the distribution of housing and employment. A clear member view on this in June will assist in finalising the content of the Regulation 18 consultation in **October 2017** which is intended to cover:
- The plan’s Vision and Objectives;
 - The draft high level strategy, identifying alternatives;
 - A HELAA analysis of sites to assist the public and stakeholders in commenting on the relative merits of sites;
 - An interim SA report, assessing emerging policy approaches as appropriate;
 - Alternatives for area wide policies.

6. Issues and Risks

Other resource implications (staff, property)

- 6.1 The cross authority team has been established at County Hall to progress plan-making.

Legal implications

- 6.2 The Greater Norwich authorities are required to have an up-to-date local plan and Broadland and South Norfolk Councils have made commitments through the examination of recent plans to a timescale for getting the GNLP in place. NPLaw is providing ongoing advice to ensure that the plan is produced in accordance with current Regulations and with any amendments to those Regulations.

Risks

- 6.3 The risk of not preparing a replacement for the JCS and maintaining a supply of allocated sites is that the plans become increasingly out-of-date and subject to challenge.

Equality

- 6.4 The GNLP will be supported by an Equalities Impact Assessment.

Environmental implications

- 6.5 The GNLP process is underpinned by national requirements to achieve sustainable development and is supported by both a Habitats Regulation Assessment and Sustainability Appraisal process. The plan will also continue to identify Green Infrastructure and other environmental enhancements as part of the policies and proposals.

Officer Contact

If you have any questions about matters contained in this paper please get in touch with:

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